

Appendix F Contract Monitoring Provisions

All vendors responding to Department-issued Requests for Proposals (RFPs), Requests for Bids (RFBs), or Requests for Applications (RFAs) must complete and return pages 3 & 4 of Appendix F, as a required attachment.

1. Definitions

- 1.1. Department – NH Department of Health and Human Services (DHHS).
- 1.2. Vendors – non-state agency external entities with which the Department intends to enter into a legal agreement. Component units of the State shall be considered vendors (e.g., University of New Hampshire, Community College System of New Hampshire).
- 1.3. Subrecipients – vendors issued funds to provide goods or services on behalf of the Department to the public. In accordance with [2 CFR 200.330](#), characteristics which support the classification of a subrecipient include when the non-Federal entity:
 - 1.3.1. Determines who is eligible to receive what Federal assistance;
 - 1.3.2. Has its performance measured in relation to whether objectives of a Federal program were met;
 - 1.3.3. Has responsibility for programmatic decision making;
 - 1.3.4. Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
 - 1.3.5. In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the Department.
- 1.4. Contractors – vendors issued funds to provide goods or services to the Department. In accordance with [2 CFR 200.330](#), characteristics indicative of a contractor are when the vendor:
 - 1.4.1. Provides the goods and services within normal business operations;
 - 1.4.2. Provides similar goods or services to many different purchasers;
 - 1.4.3. Normally operates in a competitive environment;
 - 1.4.4. Provides goods or services that are ancillary to the operation of the Federal program; and
 - 1.4.5. Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

2. Vendor Identification & Risk Assessment

- 2.1. The Department shall identify **ALL** vendors receiving federal, general, or other funds as either a Subrecipient or a Contractor, as defined in Section 1, above and in 2 CFR 200.330.
- 2.2. The Department shall complete a risk assessment of Subrecipients to evaluate their risk of non-compliance with Federal and State statutes and regulations, as well as the terms and conditions of the contract.
- 2.3. The Department shall assess vendor risk utilizing multiple factors that include, but are not limited to:
 - 2.3.1. Grant management experience.
 - 2.3.2. Documented history of non-performance or non-compliance.

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- 2.3.3. Audit findings.
- 2.3.4. Recent personnel or system changes.
- 2.3.5. Financial solvency.
- 2.3.6. Adequacy of internal controls.

3. Contract Monitoring

- 3.1. The Department shall determine if enhanced monitoring is necessary to address any risks identified through the risk assessment referenced in Section 2, above.
- 3.2. The Department shall incorporate contract monitoring procedures and activities into final contracts to address identified risks, which may include but are not limited to:
 - 3.2.1. Requesting vendors to provide fiscal reports and documentation behind reports to the Department for review.
 - 3.2.2. Reviewing vendor reporting processes and systems for data integrity.
 - 3.2.3. Performing file reviews to ensure vendor compliance with state and federal laws and rules in the administration of the contract.
 - 3.2.4. Conducting site visits to assess vendor compliance with applicable contract objectives and requirements.
 - 3.2.5. Reviewing vendor expenditure details to ensure all expenditures are allowable and in compliance with Federal and State laws and other applicable policies or rules.
 - 3.2.6. Providing targeted training or technical assistance to vendors.
 - 3.2.7. Reviewing monthly financial data to assess vendor financial solvency.
- 3.3. The Department shall conduct contract monitoring activities as specified in resulting contracts.

4. Vendor Disqualification

- 4.1. The Department reserves the right to disqualify vendors from selection based on the results of the risk assessment described in Section 2 above.
- 4.2. The Department reserves the right to disqualify vendors who refuse to complete and return the Management Questionnaire on Page 3 and 4 of Appendix I, Contract Monitoring.
- 4.3. The Department intends to only disqualify a vendor that, based on the results of the risk assessment described in Section 2 above, poses an unmanageable degree of programmatic and/or financial risk that may greatly inhibit the vendor's ability to execute the provisions of the contract.
- 4.4. The Department considers an unmanageable degree of risk to be present when:
 - 4.4.1. The vendor appears to be financially unstable based on the Department's analysis of the vendor's audited financial statements; and/or
 - 4.4.2. The identified programmatic risks may severely inhibit the vendor's ability to execute the contract in accordance with the requirements therein.
- 4.5. In the event that the Department disqualifies a vendor from selection, the vendor shall have no right to appeal the Department's decision. Any review shall be in accordance with NH. RSA 21-G:37, IV.

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Management Questionnaire

All vendors responding to Department-issued Requests for Proposals (RFPs), Requests for Bids (RFBs), or Requests for Applications (RFAs) must complete and return this Management Questionnaire.

| | Question | YES | NO | N/A |
|-----|--|------------------------------|-----------------------------|------------------------------|
| 1. | During the past 18 months, have you experienced staff turnover in positions that will be involved in the administration of the contract or MOU? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 2. | Will you subcontract any part of the work that will be required under the final contract or MOU to other entities? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 3. | Have you managed the same or a similar contract or program during one of the last five (5) calendar years? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 4. | Have you received federal funds from DHHS through a contract, MOU, or other legal agreement during one of the last five (5) calendar years? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 5. | Were you ever provided formal written notification from the Department that you were in non-compliance or failed to perform in accordance with contract provisions or requirements? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 6. | Based on your understanding of the future requirements of the contract or MOU, will your organization determine whether individuals, institutions, or businesses will be eligible to receive services or financial assistance? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 7. | Is your organization a for-profit organization, foreign entity, or foundation? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 8. | Was your organization incorporated more than two years ago? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 9. | Did you have an audit performed in accordance with A-133 (Single Audit) standards for your most recently completed fiscal year? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 10. | If you had an audit performed in accordance with A-133 (Single Audit) standards by an external entity or an audit performed by a state or federal agency during the most recently completed fiscal year, did the audit include any findings? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 11. | Has your organization implemented a new accounting, financial, or programmatic IT system within the last two years? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 12. | Are you aware of any ongoing or pending lawsuits filed against your organization? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 13. | Does your accounting system identify the receipt and expenditure of program funds separately by each contract/grant, and by line item categories? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

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| | Question | YES | NO | N/A |
|-----|---|------------------------------|-----------------------------|------------------------------|
| 14. | Do you have procedures to ensure expenditures are reviewed by an independent person to determine that all expenditures are allowable under the terms of the contract as well as federal and state regulations, laws and rules? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 15. | Are time distribution records maintained for each employee performing contracted services that account for time spent working on the contract versus time spent on all other activities? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 16. | Does your property management system maintain a description of equipment, acquisition date, funding source, location and condition? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 17. | Does your financial system compare amounts spent to date with budgeted amounts for each award? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 18. | Does your accounting/financial system include budgetary controls to prevent incurring obligations in excess of total funds available for a grant or a cost category (i.e., personnel costs, equipment, travel)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 19. | If you intend to subcontract a portion of the work under the resulting contract to another entity, do you have competitive bid procedures for purchases and personal services contracts compliant with state and federal regulations, laws, and rules? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 20. | If you intend to subcontract a portion of the work under the resulting contract to another entity, do you have written policies and procedures for subrecipient/contractor determinations, risk assessments, and subrecipient monitoring as required under Federal Uniform Guidance (2 CFR 200.330 & 331 et. seq.)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 21. | Does your organization maintain a formal system of segregation of duties for procurement, time keeping, and bank statement reconciliation activities? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| 22. | Do you maintain written policy and procedures for all aspects of financial transactions and accounting related to time keeping, a record retention, procurement, and asset management that are compliant with Federal Uniform Guidance requirements (2 CFR 200.300 et seq.)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

I hereby declare that the answers provided in the Management Questionnaire of Appendix I, Contract Monitoring Provisions, are accurate and true to the best of my knowledge.

Signature

Printed Name & Job Title

Date